

SENATE BILL 849

By Black

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, Part 5, relative to sales and use tax
compensation for small dealer's accounting costs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 6, Part 5, is amended by
adding the following language as a new section:

§ 67-6-543.

(a)

(1) For the purpose of compensating a qualified small in-state dealer in
accounting for and remitting the tax, and upon satisfactory application to the
department, the department shall compensate each such dealer an amount
equal to one half of one percent (0.5%) of the total tax remitted by such dealer to
the department for the year for which application is made in accordance with
subsection (b).

(2) For the purposes of this section, a "qualified small in-state dealer" is a
Tennessee business with annual gross sales totaling two hundred forty thousand
dollars (\$240,000) or less.

(b) In any tax year in which a dealer believes such dealer qualifies for the
compensation provided pursuant to subsection (a), such dealer shall apply to the
department within ninety (90) calendar days of the close of the dealer's tax year. The
dealer shall provide to the department a completed application and any additional
information as deemed necessary by the department including, but not limited to,

relevant federal tax documents or other financial documents establishing the dealer's amount of total gross sales for the application year.

(c)

(1) The department shall review and evaluate each dealer's application in accordance with this section and the rules and regulations established by the department. Upon a determination that a dealer is qualified for compensation under this section, the department shall compensate such dealer within thirty (30) calendar days of such determination.

(2) The department shall provide a uniform application form for qualified small in-state dealer compensation.

(d) No compensation shall be made to any dealer who has failed to, or is delinquent in, filing any report or payment required to be made pursuant to this chapter during the tax year for which application is made.

SECTION 2. The department shall promulgate rules and regulations to effectuate the provisions of this act.

SECTION 3. For the purpose of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2009, the public welfare requiring it and shall apply to tax years beginning on and after such date.